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DEPARTMENT OF PUBLIC SOCIAL SERVICES

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#27 MARCH 15, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

March 15, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

RECOMMENDATION TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF PUBLIC SOCIAL SERVICES TO EXTEND FOR TWO CONSECUTIVE ONE-YEAR PERIODS THE TERM OF THE LEADER INFORMATION TECHNOLOGY AGREEMENT WITH UNISYS CORPORATION (ALL SUPERVISORIAL DISTRICTS - 3 VOTES)

SUBJECT

Board approval is requested to exercise the first two years of County's Second Extended Option Term under the Los Angeles Eligibility Automation Determination Evaluation and Reporting (LEADER) System Agreement. The Department of Public Social Services (DPSS) continues to require the maintenance and operation of the LEADER System until the LEADER Replacement System (LRS) is successfully implemented Countywide.

JOINT RECOMMENDATION WITH THE CHIEF INFORMATION OFFICER THAT YOUR BOARD:

Approve and direct the Director of DPSS to exercise the County's Second Extended Option Term under the LEADER System Agreement with Unisys Corporation (Contractor) (County Agreement Number 68587) (Agreement) as follows:

1. Increase the Total Maximum Contract Sum for the Agreement by \$54 million, from \$343,501,732 to \$397,501,732; and
2. Extend the term of the Agreement, for two consecutive one-year periods, for a total extension not to exceed two years, commencing on May 1, 2011.

"To Enrich Lives Through Effective And Caring Service"

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to enable the Department to provide uninterrupted service to the beneficiaries of public assistance programs while the LRS is being developed and implemented.

On January 30, 2007 your Board approved Amendment Number Twelve which extended the term of the LEADER System Agreement by four years, from May 1, 2007 to April 30, 2011. Amendment Number Twelve also provided for a Second Extended Option Term not to exceed four years. The cost of the four-year Second Extended Option Term was negotiated to be \$27 million per year. The extension of the Agreement shall be accomplished only after DPSS has received written confirmation of State and federal approval.

Exercising the County's option to extend the LEADER System Agreement for two consecutive one-year periods will maintain uninterrupted service to CalWORKs, Cash Assistance Program for Immigrants, CalFresh (Food Stamps), Medi-Cal, and General Relief beneficiaries during such two year period. DPSS will request your Board's approval of the two remaining option years once approval is received from requisite State and federal agencies. This, in turn, will enable the Department to continue uninterrupted services until Countywide implementation of the LRS.

Implementation of Strategic Plan Goals

This recommendation is consistent with the principles of County Strategic Plan Goal #1 (Operational Effectiveness) to ensure timely and accurate delivery of essential services to the public. In addition, this action is consistent with DPSS' objectives for maintaining the efficiency and effectiveness of departmental programs through expanded information technology and communications, and is included in the Department's Business Automation Plan.

FISCAL IMPACT/FINANCING

Exercising the first two years of the Second Extended Option Term increases the Total Maximum Contract Sum of the Agreement by \$54 million, from an aggregate total of \$343,501,732 to \$397,501,732.

Costs for Fiscal Year (FY) 2010-11

The total estimated costs for the Second Extended Option Term in FY 2010-11 are \$4,500,000 for May 2011 and June 2011. These costs will be subvented by State and federal revenue in the estimated amount of \$4,185,000. The net County cost (NCC) is estimated at \$315,000. Sufficient funding has been included in the Department's FY 2010-11 Adopted Budget.

Costs for FY 2011-12

The total estimated costs for the Second Extended Option Term in FY 2011-12 are \$27,000,000. These costs will be subvented by State and federal revenue in the estimated amount of \$25,110,000. The NCC is estimated at \$1,890,000. Sufficient funding will be included in the Department's FY 2011-12 Budget Request.

Costs for FY 2012-13

The total estimated costs for the Second Extended Option Term in FY 2012-13 are \$22,500,000 for July 2012 through April 2013. These costs will be subvented by State and federal revenue in the estimated amount of \$20,925,000. The NCC is estimated at \$1,575,000. Sufficient funding will be included in the Department's FY 2012-13 Budget Request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This Board letter was reviewed and approved by County Counsel. As with the existing LEADER System Agreement and its previous amendments and modification notices, outside counsel, Mitchell, Silberberg & Knupp LLP, also reviewed and commented on this Board letter in accordance with your Board's policy regarding technology contracts.

This is not a Prop A contract and accordingly is exempt from the requirements of the Living Wage Ordinance.

State and Federal Approval

The funding request for FY's 2010-11, 2011-12, and 2012-13 has been approved by the requisite State and federal agencies. Their approval is pending for FY's 2013-14 and 2014-15.

CONTRACTING PROCESS

Contractor was selected via a competitive solicitation. On September 12, 1995, your Board awarded a seven years and six months contract (with the option for two additional years) to Contractor to provide an automated welfare system. Amendment Number Three and Amendment Number Four approved by your Board extended the seven years and six months contract term by two years to April 30, 2005, making the Initial Term of the LEADER System Agreement nine years and six months. On March 15, 2005, your Board approved Amendment Number Ten to extend the contract term for the optional two years, from May 1, 2005 through April 30, 2007. Amendment Number Twelve approved by your Board on January 30, 2007, extended the LEADER System Agreement for four years through April 30, 2011, with four optional one-year extensions (Second Option Extended Term) that could extend the LEADER System Agreement through April 30, 2015. The LEADER Agreement requires the County to give written notice to Contractor of the County's exercise of this extension option not later than March 30, 2011.

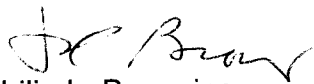
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Exercising the County's option to extend the Agreement for two consecutive one-year periods will provide continued maintenance and operation of the LEADER System; and uninterrupted service to the beneficiaries of public assistance programs administered by DPSS during this two-year period.

CONCLUSION

Upon your Board's approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to the Department of Public Social Services.

Respectfully submitted,



Philip L. Browning
Director



Richard Sanchez
Chief Information Officer

PLB:RS:os

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Internal Services Department
Chair, Information Systems Commission